



The President's Daily Brief

27 November 1972

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

Lao Communist leader Souphanouvong has for the present ruled out personal peace talks with Prime Minister Souvanna Phouma, but Souvanna remains optimistic about prospects for a settlement. (Page 1)

General Secretary Brezhnev arrived in Budapest this morning for his first official visit to Hungary in nearly two years. (Page 2)

Bolivia's labor crisis has eased. (Page 2)

The new Labor government in New Zealand is likely to make some foreign policy changes. (Page 2)

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LAOS

Lao Communist leader Souphanouvong has ruled out any personal peace negotiations with Prime Minister Souvanna Phouma because "the present situation" does not warrant such a meeting. According to a spokesman, Souphanouvong specifically blamed Vientiane for the lack of progress in the talks to date and accused the government of stepping up the fighting in north and south Laos. The spokesman indicated, however, that if Souvanna should adopt "a positive attitude to make negotiations progress favorably" then Souphanouvong might be willing to meet with Souvanna.

This rebuff probably will be taken in stride by Souvanna, who remains relatively optimistic about the prospects for peace. Last week, he is said to have told the cabinet and government peace negotiators that he is firmly convinced a settlement in Laos is at hand. At the same time, however, he emphasized that such a settlement could not be reached until Washington and Hanoi have achieved definite agreement on Vietnam.

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NOTES

USSR-Hungary: General Secretary Brezhnev arrived in Budapest this morning for his first official visit to Hungary in almost two years. The pace of his itinerary may well be relaxed out of deference to his health, and there are no pressing problems between the two countries that might upset the schedule. We expect Brezhnev to endorse Hungarian party chief Kadar's leadership and in turn to receive complete Hungarian approval of Soviet foreign policy. The two may discuss differences over trade policies and Soviet apprehensions about the political impact of Hungary's economic reforms, but we do not expect them fully to resolve these issues, which do not, however, lessen Hungary's firm ties to the USSR.

Bolivia: The labor crisis in La Paz eased over the weekend as the government released arrested union leaders, and striking workers returned to their jobs. Discussions on wage-price consequences of devaluation are to resume, but in the meantime the nation will remain under a state of siege.

New Zealand: If the new Labor government abides by its election manifesto, it will during its period of rule bring home the small New Zealand training contingent in South Vietnam, initiate steps to establish diplomatic relations with Peking, and work toward eventual withdrawal of troops stationed in Singapore and Malaysia under the five-power defense arrangement with Australia and the United Kingdom. No significant changes in relations with the US are expected. The new Prime Minister, Norman Kirk, has stated his commitment to the ANZUS treaty and has made it clear that he views the US as the guarantor of New Zealand's security.

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